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UNITED NATIONS PENSION SYSTEM

Note by the Secretary-General of the United Nations

The Secretary-General of the United Nations has the honour to transmit herewith to the members of the General Assembly the text of a note by the Secretary-General of the International Telecommunication Union (ITU) on the subject of the United Nations pension system.

Note by the Secretary-General of the
International Telecommunication Union

Decision taken by the International Telecommunication Union's Administrative Council at its 46th session on the Protection of the Purchasing Power of Pension Benefits

Introduction

The purpose of this document is to give an overview of the actions taken by the International Telecommunication Union (ITU) governing bodies on this matter.

Background

The ITU Plenipotentiary Conference demonstrated its interest in pension questions for the first time in 1973 when it approved Recommendation No. 3 (Annex 1) urging the United Nations General Assembly (UNGA) to do all possible to maintain the purchasing power of pensions.

The ITU's serious concern regarding the fluctuating value of pensions was subsequently reiterated in many Resolutions of the Administrative Council, and in Resolution No. 61 of the following Plenipotentiary Conference in 1982 (Annex 2).

Despite of many efforts deployed by both the United Nations Joint Staff Pension Board (UNJSPB) and the legislative organs of the UNGA, the situation of pensioners retiring in hard currency countries has remained unsatisfactory. For this reason the Administrative Council adopted, between 1984 and 1989, a series of Resolutions (Nos. 917, 932, 956, 963, 978 and 985 - attached in Annex 3) which were, as required, transmitted to the UNGA - this was the case for two of them, namely No. 917 in 1984 and No. 932 in 1985 - or to the UNJSPB.

In 1989, the most recent Plenipotentiary Conference considered a Pension Purchasing Power Protection Insurance Plan (PPPPIP) which had been prepared by the Secretariat of the Union on instruction of the Administrative Council. As a result, the Conference adopted Resolution No. 43 (Annex 4) and the Administrative Council followed up on that Resolution by adopting Resolution No. 997 (Annex 5) which was also transmitted to the UNGA.

Present situation

At its 46th session, which ended earlier this month, the Administrative Council, in pursuance of the instructions given to it by the last Plenipotentiary Conference, adopted Resolution No. 1015 (Annex 6) after a vote, the result of which was as follows:

in favour	23
against	8
abstentions	9

/...

Conclusion

As decided by the Administrative Council, the PPPPIP, has not been put into effect at this time and shall not be introduced if the UNGA, at its regular session later this year, decides to implement measures providing comparable protection. This particular feature of the ITU Administrative Council decision shows clearly the attachment of the ITU to the United Nations Common System and its preference for solutions to be found at that level. Furthermore, the PPPPIP scheme cannot be considered as incompatible with the Common System from the legal point of view.

ANNEX 1

RECOMMENDATION No. 3

Pension Adjustments

The Plenipotentiary Conference of the International Telecommunication Union (Malaga-Torremolinos, 1973),

recalling

Resolution No. 5 relating to the assimilation to the United Nations Common System adopted by the Plenipotentiary Conference (Montreux, 1965);

having considered

the report by the I.T.U. Staff Pension Committee (Document No. 35) concerning adjustment of pensions;

requests the United Nations General Assembly

to keep in mind the objectives summarized hereafter:

1. an early adjustment of pensions in payment:

a) to restore to the greatest extent possible the purchasing power of pensions equivalent to that of before May 1971; and

b) to maintain this purchasing power by adjusting pensions within the shortest possible delay;

2. the consideration of urgent provisional measures to compensate for the losses suffered by pensioners since May 1971; and to avoid similar losses suffered by recipients of benefits other than pensions;

and urges the General Assembly of the United Nations

to do all possible to ensure urgent and uninterrupted action towards these objectives.

/...

ANNEX 2

RESOLUTION No. 61

Adjustment of Pensions

The Plenipotentiary Conference of the International Telecommunication Union (Nairobi, 1982),

recalling

Recommendation No. 3 adopted by the Plenipotentiary Conference of Malaga-Torremolinos (1973) in connection with the adjustment of pensions;

having considered

the report by the ITU Staff Pension Committee which notes that the measures adopted by the United Nations General Assembly have been in line with Recommendation No. 3;

concerned

by the uncertainties which weigh heavily on the level of pensions due to the flaws in the present system and possible subsequent changes to it, as well as the consequences of the future monetary fluctuations and inflation;

instructs the Administrative Council

to follow carefully the evolution of this issue, with a view to ensuring that the level of pensions is maintained and to take the appropriate action to achieve this end.

ANNEX 3

Resolution approved at the 39th session of the
Administrative Council (1984)

Resolution No. 917

PENSION SYSTEM OF THE UNITED NATIONS JOINT STAFF PENSION FUND

The Administrative Council,

recalling that the Plenipotentiary Conference (Nairobi, 1982) in Resolution No. 61 stated that it was "concerned by the uncertainties which weigh heavily on the level of pensions due to the flaws in the present system and possible subsequent changes to it, as well as the consequences of the future monetary fluctuations and inflation" and instructed the Administrative Council of the ITU "to follow carefully the evolution of this issue, with a view to ensuring that the level of pensions is maintained and to take the appropriate action to achieve this end";

having considered the report by the ITU Staff Pension Committee which notes that the United Nations General Assembly has called for the study of measures designed to reduce the benefits now payable to participants in the United Nations Joint Staff Pension Fund;

concerned by the uncertainties which weigh on the level of pensions of present and future participants due to changes envisaged in the pension system and in the level of pensionable remuneration;

resolves to draw the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission to its anxiety about the level of benefits and the Fund's future, as well as to its hope that the measures which will be adopted to restore the actuarial balance will not further reduce the level of benefits but will also be aimed at enhancing resources through an increase in contributions and a gradual improvement of the real return on the Fund's investments;

instructs the Secretary-General to bring this Resolution to the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission.

Resolution approved at the 40th session of the
Administrative Council (1985)

Resolution No. 932

PENSION SYSTEM OF THE UNITED NATIONS JOINT STAFF PENSION FUND

The Administrative Council,

recalling that the Plenipotentiary Conference (Nairobi, 1982) in Resolution No. 61 stated that it was "concerned by the uncertainties which weigh heavily on the level of pensions due to the flaws in the present system and possible subsequent changes to it, as well as the consequences of the future monetary fluctuations and inflation" and instructed the Administrative Council of the ITU "to follow carefully the evolution of this issue, with a view to ensuring that the level of pensions is maintained and to take the appropriate action to achieve this end",

having considered the report by the ITU Staff Pension Committee which notes that, among the measures proposed by the United Nations Joint Staff Pension Board with a view to eliminating the actuarial deficit of the Fund, the United Nations General Assembly adopted and decided to apply as from 1 January 1985 only those which entailed a reduction in the benefits paid to participants in the Fund and that it took no decision on the proposals to increase to 24% the contributions to the Fund, a measure which constituted the major element in restoring the actuarial balance of the Fund,

noting that numerous appeals submitted by active and retired staff members are giving rise to uncertainty about the future of the decisions criticized,

concerned by the negative consequences of these decisions on the level of pensions for present and future participants because of the changes introduced in the pension system and in the level of pensionable remuneration,

resolves once more to draw the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission to:

a) its anxiety about the level of benefits and the Fund's future;

b) its hope that the measures which will be adopted to restore the actuarial balance will not further reduce the level of benefits but will henceforth be aimed at enhancing resources through an increase in contributions and a gradual improvement of the real return on the Fund's investments;

c) the importance, having regard to the reduction of the level of pensionable remuneration, of introducing equitable interim measures to safeguard staff members' acquired rights;

instructs the Secretary-General to bring this Resolution to the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission.

Resolution approved at the 41st session of the
Administrative Council (1986)

Resolution No. 956

PENSION SCHEME OF THE UNITED NATIONS JOINT STAFF PENSION FUND (UNJSPF) - REPORT ON DECISIONS THAT MAY BE TAKEN BY THE UNITED NATIONS GENERAL ASSEMBLY AT ITS FORTY-FIRST SESSION

The Administrative Council,

taking into account

1. the objectives previously established by the ITU Staff Pension Committee contained in the Report submitted by the Administrative Council to the Plenipotentiary Conference (Nairobi, 1982) concerning pension levels;

2. the provisions of Resolution No. 61 of the Plenipotentiary Conference (Nairobi, 1982) which instructs the Administrative Council to follow carefully developments in the adjustment of pensions "with a view to ensuring that the level of pensions is maintained and to take the appropriate action to achieve this end",

instructs the Secretary-General

1. to prepare for the ITU Administrative Council at its 42nd session a report on the action taken by the United Nations General Assembly at its forty-first session;

2. to propose objectives which should be taken into account by the Pension Committee and ITU representatives in the Pension Board when considering the levels of contributions and benefits, bearing in mind the objectives set by the Plenipotentiary Conference.

Resolution approved at the 42nd session of the
Administrative Council (1987)

Resolution No. 963

UNITED NATIONS JOINT STAFF PENSION FUND (UNJSPF) - STUDY OF MEASURES REQUIRED FOR THE ADJUSTMENT OF PENSIONS

The Administrative Council,

considering the objectives previously established by the ITU Staff Pension Committee contained in the report submitted by the Administrative Council to the Plenipotentiary Conference (Nairobi, 1982) concerning the level of pensions;

noting that, despite the concern it expressed in 1985 in Resolution No. 937 (CA40) concerning decisions of the General Assembly which entailed a significant reduction in pension benefits, further unfavourable decisions were taken at the forty-first session of the United Nations General Assembly;

noting also that, in its Resolution No. 932, the 40th session of the Administrative Council drew the attention of the United Nations General Assembly, the United Nations Joint Staff Pension Board and the International Civil Service Commission to its anxiety regarding the level of benefits and the future of the Fund;

noting further that the report by the Secretary-General (Document CA42/6634), requested by Administrative Council Resolution No. 956 (CA41), reports:

a) a further deterioration in the benefits of the UNJSPF which will affect the level of pensions for staff in the professional category and above as a result of the decisions taken by the forty-first session of the United Nations General Assembly;

b) the grave concern of the staff in these same categories as a result of the continuing depreciation of the dollar which will be affecting Union staff members retiring in the next few years in countries with strong currencies in relation to the United States currency;

instructs the Secretary-General to study and submit to the 43rd session of the Administrative Council proposals for appropriate action to be taken by the Council in accordance with Resolution No. 61 of the Plenipotentiary Conference (Nairobi, 1982), having regard to evolution in the Common System.

Resolution approved at the 43rd session of the
Administrative Council (1988)

Resolution No. 978

PENSIONS

The Administrative Council,

considering Resolution No. 61 adopted by the Plenipotentiary Conference (Nairobi, 1982) concerning the adjustment of pensions;

recalling that, by Resolutions Nos. 917, 932 and 956, adopted at its 39th, 40th and 41st sessions, the Administrative Council attempted to draw the attention of the competent authorities of the Common System to its anxiety about the level of benefits and the future of the United Nations Joint Staff Pension Fund (UNJSPF);

having noted the outcome of the study carried out by the Secretary-General in accordance with Resolution No. 963, adopted by the Administrative Council at its 42nd session;

recognizing that, of the solutions contemplated in that study, the one relating to a Pension Purchasing Power Protection Insurance affords a means for settling a problem with which the Administrative Council has been concerned for almost 20 years;

further recognizing that any solution should not be incompatible with the prerogatives and decisions of the United Nations General Assembly concerning the regulations of the UNJSPF and their application;

considering that under the mandate entrusted to it by the Plenipotentiary Conference (Nairobi, 1982) in Resolution No. 61, the Administrative Council is instructed "to take the appropriate action to achieve this end";

resolves to instruct the Secretary-General to submit precise draft rules concerning a Pension Purchasing Power Protection Insurance plan and related financial and legal information, together with available information on practices in other Agencies, to the 44th session of the Council with a view to their translation, as appropriate, to the next Plenipotentiary Conference (Nice, 1989) with an appropriate recommendation and a report on action taken as a result of Resolution No. 61 (Nairobi, 1982).

Resolution approved at the 44th session of the
Administrative Council (1989)

Resolution No. 985

PENSIONS

The Administrative Council,

considering Resolution No. 61 adopted by the Plenipotentiary Conference (Nairobi, 1982) concerning the adjustment of pensions which followed on from Recommendation No. 3 adopted by the Plenipotentiary Conference (Malaga-Torremolinos, 1973);

recalling that, by Resolutions Nos. 917, 932 and 956, adopted at its 39th, 40th and 41st sessions, the Administrative Council drew the attention of the competent authorities of the Common System to its concern regarding the level of benefits and the future of the United Nations Joint Staff Pension Fund (UNJSPF);

having noted

a) the outcome of the study carried out by the Secretary-General and published in Document 6764/CA43, in compliance with Resolution No. 963 adopted by the Administrative Council at its 42nd session;

b) the detailed information contained in Document 6847/CA44 and its Addendum 1 presented by the Secretary-General in response to Resolution No. 978, which was adopted by the 43rd session of the Administrative Council;

recognizing that setting up an insurance scheme for the protection of the purchasing power of pensions, as proposed in Document CA44/6847, may settle the problem, to which the Plenipotentiary Conferences and the Administrative Council have been seeking a solution for almost 20 years;

further recognizing that any solution must respect the prerogatives and decisions of the United Nations General Assembly concerning the Regulations of the UNJSPF and their application;

considering that under the mandate entrusted to it by the Plenipotentiary Conference (Nairobi, 1982), in Resolution No. 61, the Administrative Council has been instructed to take the appropriate action to achieve this end;

resolves to transmit this proposed insurance scheme for the protection of the purchasing power of pensions to the relevant body in New York and to the forthcoming Plenipotentiary Conference (Nice, 1989), with a view to addressing the concerns expressed by the Council since the 39th session and in response to Resolution No. 61 (Nairobi, 1982).

ANNEX 4

Resolution No. 43

Adjustment of Pensions

The Plenipotentiary Conference of the International Telecommunication Union (Nice, 1989),

recalling

Resolution No. 61 of the Plenipotentiary Conference (Nairobi, 1982), relating to the adjustment of the level of pensions,

having considered

the reports of the Administrative Council, the Secretary-General and the ITU Staff Pension Committee,

acknowledging

the concern of the ITU staff about the level of pensions in the present system and possible subsequent changes to it, as well as the potential effects of future monetary fluctuations and inflation,

concerned

by the fact that no long-term solution has yet been found which satisfies the concerns expressed by the staff on this issue,

further concerned

by the fact that the pension benefits of ITU staff retiring in any country of the world are not guaranteed at a level equivalent to that prevailing at the base of the system (New York) and by the resulting uncertainties which weigh heavily on the future level of pensions and their consequences for the staff in the professional and higher categories retiring to countries with strong currencies,

noting that

the United Nations General Assembly has commissioned reviews of staff remuneration, conditions of service and pensions and is to take decisions on these matters by the end of 1990,

noting further that

interim measures have been taken within the framework of the United Nations common system to reduce the impact of currrency fluctuations and that

these measures will come to an end on 31 December 1990 and will not constitute an acquired right,

reaffirming

the strong attachment of ITU Members to the United Nations common system,

strongly urges

the representative of the ITU Staff Pension Committee on the United Nations Joint Staff Pension Board to take all the necessary steps to ensure that the proposal for a Pension Purchasing Power Protection Insurance Plan is fully examined as one possible response to the concerns of ITU staff and to insist that an appropriate solution is found to the problem,

urges

all ITU Members to take all necessary steps to ensure that the concerns of ITU staff are properly understood by Members' representatives dealing with the general policy of remuneration and conditions of service of international civil servants in order that these concerns are taken into account in the decision-making process,

instructs the Administrative Council

1. to follow the development of this situation carefully in order to ensure that ITU views are fully and appropriately represented in the common system bodies responsible for pension matters;

2. to take, at its session in 1991, appropriate action to secure for ITU staff retiring in any country in the world pension benefits comparable to those prevailing at the base of the system (New York);

3. to envisage the implementation of any scheme protecting the purchasing power of pensions which is found to be compatible with the common system,

instructs

the Secretary-General to transmit the text of this resolution to the Secretary-General of the United Nations and to the United Nations bodies responsible for staff conditions of service and remuneration, including pensions.

ANNEX 5

Resolution approved at the 45th session of the
Administrative Council (1990)

Resolution No. 997

UNITED NATIONS JOINT STAFF PENSION FUND (UNJSPF) PENSION SCHEME -
STUDY OF MEASURES TO BE TAKEN FOR THE ADJUSTMENT OF PENSIONS

The Administrative Council,

recalling that Resolution No. COM5/1 adopted by the ITU Plenipotentiary Conference (Nice, 1989) was transmitted to the United Nations Joint Staff Pension Board (UNJSPB) and the United Nations bodies responsible for conditions of service in the common system;

observing that the special session of the UNJSPB held in Rome from 20 to 23 February 1990 acknowledged that the long-term objective would be full income replacement and that the ITU proposal based on the principle of a Pension Purchasing Power Protection Insurance (PPPPI) could provide a valid means of achieving that objective;

concerned that due account should be taken, in the decisions to be taken by the United Nations General Assembly towards the end of 1990, of the objectives laid down in the ITU proposal, as adopted by its Plenipotentiary Conference (Nice, 1989);

noting the persistent concerns of the Union's staff on account of the prevailing climate of insecurity and instability regarding pension levels in the common system, despite the many interventions by all the ITU organs since 1972;

reiterates its request to the competent bodies in the common system that a lasting and equitable solution should be found as soon as possible on the question of income replacement, with benefits everywhere comparable to those prevailing at the base of the system (New York), and that to this end the ITU proposal (PPPPI) should be given due consideration;

resolves to instruct the Secretary-General to bring this Resolution to the attention of the 40th session of the UNJSPB and of the forty-fifth session of the United Nations General Assembly.

ANNEX 6

Resolution approved at the 46th session of the
Administrative Council (1991)

Resolution No. 1015

PENSION PURCHASING POWER PROTECTION INSURANCE PLAN (PPPPIP)

The Administrative Council,

considering Resolution No. 43 adopted by the ITU Plenipotentiary Conference (Nice, 1989), which instructed the Administrative Council:

1. to follow the development of this situation carefully in order to ensure that ITU views are fully and appropriately represented in the common system bodies responsible for pension matters;

2. to take, at its session in 1991, appropriate action to secure for ITU staff retiring in any country in the world pension benefits comparable to those prevailing at the base of the system (New York);

3. to envisage the implementation of any scheme protecting the purchasing power of pensions which is found to be compatible with the common system;

having considered Document 7132/CA46;

having noted Recommendation No. 89 of the High Level Committee;

reaffirming the strong attachment of ITU Members to the United Nations Common System;

observing that the United Nations Joint Staff Pension Board, at its special session held in Washington from 19 to 22 February 1991, was unable to achieve a consensus on a long-term solution providing valid protection for the level of pensions and deferred study of the matter to its July 1991 session;

concerned by the uncertainties which weigh heavily on the future level of pensions payable by the United Nations Joint Staff Pension Fund, and by the impact of the financial constraints imposed by the United Nations General Assembly on any long-term measure which the latter might adopt;

aware of the importance for the future of the Union of speedy implementation of the High Level Committee's recommendations;

anxious to ensure that the Union and its staff are given all the necessary means to that end;

urges again the UNJSPB and the United Nations General Assembly to decide on the necessary measures for providing an adequate long-term solution to these problems;

urges also all Union Members, through their representatives to the United Nations General Assembly in New York, to make known their support for a just settlement of the pension issue. Members should inform the Secretary-General of the actions they take in this regard;

resolves to adopt on an interim basis the Pension Purchasing Power Protection Insurance Plan (PPPPIP) as described in Document 7132/CA46, for introduction on 1 April 1992, unless the United Nations General Assembly implements measures providing comparable protection;

resolves also that in any case the PPPPIP shall only apply until comparable effects result from a United Nations General Assembly decision and that no acquired rights will result from the interim adoption of the PPPPIP;

instructs the Secretary-General in consultation with the Chairman of the Administrative Council

1) to take all the necessary administrative and budgetary measures to introduce the PPPPIP under the above conditions;

2) to report to the 47th session of the Administrative Council (1992) on the measures taken, their effects, and on the developments in the United Nations General Assembly and the UNJSPF.